

Message Text

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TAGS: EAGR, ETRD, ICO

SUBJECT: COFFEE: ICO EXECUTIVE BOARD IN BRAZIL

SUMMARY

THE EXECUTIVE BOARD OF THE INTERNATIONAL COFFEE ORGANIZATION (ICO) MET DECEMBER 12-19 IN BRAZIL. DISCUSSIONS CENTERED ON THREE ISSUES: THE EXECUTIVE DIRECTOR'S PREPARATIONS FOR THE REVIEW OF THE PRICE TRIGGERS FOR INTRODUCING THE ECONOMIC PROVISIONS OF THE COFFEE AGREEMENT (ARTICLE 33 PARA 3); THE ICO'S WORK PROGRAM FOR THE COMING YEAR; AND THE RELEASE OF A SERIES OF QUARTERLY BULLETINS OF COFFEE STATISTICS TO THE PRESS AND THE PUBLIC. THE BRAZILIAN COFFEE INSTITUTE (IBC) HOSTED THE MEETING WITH AN IMPRESSIVE PROGRAM TO COMMEMORATE THE 250TH ANNIVERSARY OF THE INTRODUCTION OF COFFEE INTO BRAZIL. END SUMMARY.

1) REVIEW OF PRICE TRIGGERS: DISCUSSION HERE WAS CONFINED TO THE PROCEDURES FOR THE REVIEW OF THE PRICE LEVELS FOR BRINGING EXPORT QUOTAS INTO PLAY UNDER ARTICLE 33 OF THE INTERNATIONAL COFFEE AGREEMENT (ICA).

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THE EXECUTIVE DIRECTOR OUTLINED HIS PLANS FOR PREPARATION OF DOCUMENTS ON STATISTICS. THE BOARD AGREED TO LEAVE TO THE EXECUTIVE DIRECTOR WIDE LEEWAY IN PREPARING FOR THIS REVIEW. IT ALSO DECIDED THE SIXTEEN MEMBERS OF THE EXECUTIVE BOARD SHOULD FORM THE BASIS OF THE WORKING GROUP. THE U.S. REP (O'DONNELL) STRESSED THE NEED FOR COMPREHENSIVE AND OBJECTIVE PREPARATORY

MATERIALS ON WHICH THE WORKING GROUP COULD BASE ITS CONCLUSIONS AND DEFEND THEM TO GOVERNMENTS AND THE PUBLIC.

2) WORK PROGRAM: THE PRODUCERS PRESSED FOR AN EARLY REVIEW OF BOTH THE PRICE TRIGGERS (ARTICLE 33) AND THE FEASIBILITY OF STOCK ARRANGEMENTS (ARTICLE 51). AFTER LENGTHY DISCUSSION, HOWEVER, THE BOARD REACHED A CONSENSUS TO SCHEDULE THE WEEK OF JANUARY 23 FOR THE WORKING GROUP ON THE STOCKS (ARTICLE 57) AND THE WEEK OF FEBRUARY 21 FOR THE WORKING GROUP ON PRICE TRIGGERS (ARTICLE 33). THE POSSIBILITY OF A ROUTINE EXECUTIVE BOARD MEETING DURING ONE OF THOSE WEEKS WAS LEFT OPEN.

3) SOMEWHAT SURPRISINGLY, THE MOST CONTROVERSIAL AND TIME CONSUMING QUESTION WAS THE RELEASE OF A NEW QUARTERLY STATISTICAL BULLETIN ON COFFEE TO THE PRESS AND THE PUBLIC. COLOMBIA TOOK THE LEAD AMONG THE PRODUCERS IN OPPOSING ITS RELEASE UNTIL IT COULD BE REEXAMINED BY THE STATISTICS COMMITTEE TO REVISE OR ELIMINATE CERTAIN TABLES IT CONSIDERED MISLEADING. OF PARTICULAR CONCERN TO COLOMBIA AND SEVERAL AFRICAN PRODUCERS WERE A SERIES OF TABLES SHOWING PRICES PAID TO GROWERS IN EXPORTING COUNTRIES. THE U.S. AND OTHER IMPORTERS STOOD FIRM FOR THE DOCUMENT'S RELEASE, STRESSING THE RESPONSIBILITY OF THE ICO TO MAKE UNCLASSIFIED

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OBJECTIVE INFORMATION ON COFFEE AVAILABLE TO THE PRESS AND PUBLIC. THE U.S. ACKNOWLEDGED THAT IMPROVEMENTS COULD BE MADE IN FUTURE EDITIONS AND PROVIDED THE EXECUTIVE DIRECTOR WITH SEVERAL SUGGESTIONS PREPARED BY U.S.D.A. AFTER MUCH WRANGLING, THE BOARD FINALLY AGREED TO ISSUE THE DOCUMENTS WITH THE ADDITION OF A BRIEF INSERT STATING THAT NO MEMBER WAS NECESSARILY COMMITTED TO ACCEPTING SPECIFIC FIGURES IN THE PUBLICATION.

4) THE IBC SPARED NO EFFORT IN HOSTING THE MEETINGS. EXTENSIVE FIELD TRIPS THROUGH THE COFFEE GROWING REGIONS IN PARANA AND SAO PAULO SHOWED THE CONSIDERABLE SUCCESS OF EFFORTS TO RECOVER FROM THE DEVASTATING FROST IN 1975. REPRESENTATIVES OF BOTH EXPORTING AND IMPORTING COUNTRIES WERE CLEARLY IMPRESSED WITH THE EXTENT OF THE RECOVERY AND ITS IMPLICATIONS FOR FUTURE SUPPLY AVAILABILITY. THERE WAS NO DOUBT THAT BRAZIL HAS BOTH THE INTENT AND CAPACITY TO RECAPTURE ITS TRADITIONAL MARKET SHARE IN THE NEXT SEVERAL YEARS BARRING A MAJOR NEW DISASTER.

5) THROUGHOUT THE MEETING BRAZIL TOOK PAINS TO AVOID
CONTROVERSY AMONG BOARD MEMBERS. IT WORKED BEHIND THE
SCENES TO CONVINCe COLOMBIA TO AGREE TO THE RELEASE OF
THE STATISTICAL DOCUMENT AND TOOK THE LEAD IN PROPOSING
A WORK PROGRAM FOR 1978 ACCEPTABLE TO CONSUMERS. THE
RECENT RECONCILIATION OF BRAZILIAN AND COLOMBIAN COFFEE
POLICY DIVERGENCIES WAS MARKED BY A CEREMONY IN WHICH
COLOMBIA DECORATED IBC PRESIDENT CALAZANS WITH THE
ORDER OF SAN CARLOS, ITS SECOND HIGHEST DECORATION.
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